

MINUTES  
BRAZORIA-FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

March 1, 2019

The Board of Directors (the "Board") of Brazoria-Fort Bend County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 1st day of March, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael Parks	President
Julie Ward	Vice President
Geoffrey Pope	Secretary
Karri Axtell	Assistant Vice President
Heather Zayas	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Crystal Horn of McGrath & Co., PLLC ("McGrath"); Esther Shaver of Assessments of the Southwest, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Officer Natisha Lucas of the City of Pearland (the "City") Police Department; Everett Deao of LJA Engineering, Inc. ("LJA"); Justin Klump of Storm Water Solutions, LLC ("SWS"); Ryan Hawkins and Douglas Howard of KB Home; and Hannah Brook and Erika Smiley of Allen Boone Humphries Robinson LLP ("ABHR").

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

At 12:01 p.m., the Board convened in executive session. Present for the executive session include members of the Board, Officer Lucas, Ms. Brook, and Ms. Smiley. Officer Lucas reviewed the written security report for Shadow Creek Ranch, provided in advance of the meeting, and responded to questions from the Board.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES AND APPROVE ANY NECESSARY ACTIONS RELATED TO SECURITY REPORT, AND APPROVE ANY NEW SECURITY PATROL AGREEMENTS

At 12:21 p.m., the Board reconvened in open session.

## MINUTES

The Board considered approving the minutes of the February 1, 2019, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Ward moved to approve the minutes of the February 1, 2019, regular meeting. Director Zayas seconded the motion, which passed unanimously.

## COMMENTS FROM THE PUBLIC

The Board did not receive any comments from the public.

## NEWSLETTERS AND WEBSITE MATTERS

The Board considered approving the monthly newsletter notice for publication. The Board reviewed an analytics report on the prior month's website activity, a copy of which is attached, and considered if any website updates were needed. Following review and discussion, the Board concurred to authorize ABHR to submit (1) the newsletter notice for publication; and (2) website updates as posted articles become outdated.

Discussion ensued regarding the joint website shared with Brazoria County Municipal Utility District No. 26 ("No. 26"). The Board directed ABHR to report the cost to maintain the shared site.

## REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS

Ms. Brook stated that ABHR reached out to SCRMA but did not receive a response. The Board discussed the slope irrigation project proposed by SCRMA.

## REPORT ON DEVELOPMENT

Ms. Horn presented and reviewed a supplemental Developer Reimbursement Report (the "Report") prepared by McGrath for the purpose of verifying the amount to reimburse Perry Homes, LLC, from the District's \$14,100,000 Unlimited Tax Bonds, Series 2017 for impact fees paid on behalf of the District. After review and discussion, Director Axtell moved to approve the Report and direct that it be filed appropriately and retained in the District's records; and authorize disbursement of funds to Perry Homes, LLC pursuant to the Report, subject to receipt. Director Ward seconded the motion, which was approved by unanimous vote.

Discussion ensued regarding development in the District.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Shaver distributed and reviewed the tax assessor/collector's report, including the unpaid accounts tax roll and a report from the District's delinquent tax

attorney. A copy of the tax assessor/collector's report is attached. She stated 97.34% of the District's 2018 taxes were collected as of February 28, 2018. After review and discussion, Director Axtell moved to approve the Tax collector's report. Director Ward seconded the motion, which was approved by unanimous vote.

### ENGINEERING MATTERS

Mr. Deao distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Deao requested that the Board authorize design of County Road 59 Paving and drainage improvements to serve Southlake ("the Project"). He stated LJA has prepared plans and specifications for Board review and requested authorization to advertise for bids for the Project.

Mr. Deao stated that bids were received for construction of County Road 59 Paving and drainage improvements to serve Southlake. Mr. Deao recommended that the Board award the contract to Wadecon, LLC, ("Wadecon") in the amount of \$409,752. He informed the Board that originally this was a Tax Increment Reinvestment Zone project but due to the portion of the project related to drainage, the District became a participant. Mr. Deao stated that the District will be asked to reimburse Perry Homes for the drainage portion. He stated that currently the drainage portion of the contract totals approximately \$155,000. The Board concurred that, in its judgment, Wadecon was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Following review and discussion, and based on the engineer's recommendation, Director Ward moved to (1) approve the engineer's report; (2) authorize design of the project; (3) approve plans and specifications and authorize advertisement for bids for the project; (4) award contract for the Project to Wadecon in the amount of \$409,752. Director Axtell seconded the motion, which carried unanimously.

Mr. Deao reported the City's sewage treatment plant expansion, stating that the project is estimated to be completed five months early.

Mr. Klump updated the Board on the District's Storm Water Management Plan ("SWMP"). He distributed and reviewed the Year 5 annual report for the SWMP and a summary of the Texas Commission on Environmental Quality ("TCEQ's") permit renewal process for the Texas Pollutant Discharge Elimination System General Permit No. TXR040000, Small MS4 (Phase II) General Permit, copies of which are attached.

Mr. Klump explained that the time between December 31, 2018, and the adoption date of the new permit will be included in the Year 1 annual report for the new permit term. He outlined the schedule of events for obtaining permit coverage under the new permit. Mr. Klump stated that the District will have 180 days from the date that the

TCEQ adopts the new permit to obtain permit coverage. Permit coverage will include preparation of a new Stormwater Management Program (SWMP) and submittal of a Notice of Intent ("NOI") to the TCEQ. A public meeting will be held as necessary based on significant public interest generated by public comments.

Following review and discussion, Director Ward moved to approve the Year 5 annual SWMP report. Director Axtell seconded the motion, which carried unanimously.

#### FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia reviewed the bookkeeper's report, including the investment report, budget comparison, and list of checks presented for approval, a copy of which is attached. After review and discussion, Director Axtell moved to approve the bookkeeper's report and payment. Director Pope seconded the motion, which passed unanimously.

#### ATTORNEY'S REPORT

##### ORDER ADOPTING AMENDED AND RESTATED PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Brook stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Brook explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. She added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. Ms. Brook stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. She reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Ward moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Pope seconded the motion, which passed by unanimous vote.

##### ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

There was no further discussion on this matter.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board concurred the next regular Board meeting is April 5, 2019, at 12:00 p.m.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS MATTERS RELATED TO BLUE RIDGE LANDFILL

The Board did not convene in executive session on this topic.

There being no further business to come before the Board, the meeting was adjourned.

  
Secretary, Board of Directors

